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**Housing Authority - County of Los Angeles**

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April 16, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



**SUBJECT: RESPONSE TO MOTIONS BY SUPERVISORS BURKE AND MOLINA  
REGARDING SECTION 8 HOUSING PROGRAM**

This memorandum contains my reply to two motions recently adopted by your Board regarding the Section 8 program. The first was Supervisor Burke's motion of March 13, 2007 that instructed me to report monthly on the progress towards achieving a Standard rating according to HUD's Section 8 Management Assessment Program (SEMAP). Supervisor Molina's motion, approved on April 3, 2007, requested that I report on the possibility of using Housing Authority funds to contract for housing locator services.

**Response to Supervisor Burke's Motion**

Supervisor Burke's motion required me to provide monthly updates regarding our progress. The attached chart describes the 15 SEMAP indicators used to score program performance. A SEMAP score of 87 out of 145 is required to receive an overall rating of Standard Performer. We are projecting a score of 90 for FY 06-07, which would move the agency out of "troubled" to "standard" status. This is a significant improvement from our FY 05-06 ending score of 73, which resulted from failing scores in several of the 15 indicators.

HUD measures our SEMAP accomplishments at June 30 of each year. Last fiscal year, we did not score in five indicators - #3 Adjusted Income; #9 Annual Reexaminations; #12 Annual Inspections; #13 Lease-up; and #15 De-concentration.

- We have made major improvements in the adjusted income indicator (#3), by providing staff training, implementing quality control processes, and acquiring specialized software. These improvements, however, will not be enough to offset the errors made during the first five months of this fiscal year.
- We have completed 91% of current reexaminations (#9), and fully expect to reach 96% by June 30, 2007. This accomplishment will earn us 10 SEMAP points.
- In the current fiscal year, we were able to resolve the issues under the annual inspections indicator (#12) and will receive SEMAP points for meeting the threshold.

- Although we have significantly improved our lease-up rate (#13) by creating a pipeline of qualified applicants, we will not reach the required 95% by June 30, 2007.
- We have not succeeded in de-concentrating our families outside of "poverty" census tracts (#15), because the families generally remain in the areas in which they live, or move to other areas where rents are affordable. We are prohibited by Section 8 regulations to "steer" families to specific areas.

Following is a discussion of what we consider the three most critical indicators:

**Annual Reexaminations** (SEMAP Indicator #9) – On April 2, 2007, I reported that we still had 1,297 remaining delinquent annual reexaminations to be completed from the original 4,700. We expect to eliminate the delinquent backlog by the end of April 2007. We are also on target to complete 96% of all current reexaminations by June 30, 2007. We should receive the maximum number of points in this category from HUD.

**Annual Inspections** (SEMAP Indicator #12) – On April 2<sup>nd</sup>, I reported that our delinquency rate for annual inspections had been reduced to 8% from a high of 34%. We are now at a rate which is acceptable under HUD standards. We are currently on target to reduce our delinquencies to less than 5% by June 30, 2007, which would earn us the maximum points under this SEMAP indicator.

**Lease-up** (SEMAP Indicator #13) – On April 2<sup>nd</sup>, I reported our lease-up rate at 83%. Although we are increasing the number of new contracts per month, our ability to show higher voucher utilization is impacted by other factors, such as the lack of affordable housing and participant terminations. Since September 2006, we have averaged 313 new contracts per month, while terminations are averaging 312 per month. The current lease-up rate is 86%. Although we project to reach 91% by June 30, 2007, it will not be enough to earn any SEMAP points until we reach 95%.

Presently, we are processing 1,463 new leases, and another 3,378 vouchers have been issued to clients who are looking for housing. We project that the lease-up rate will be 98% by December 2007, based on the pipeline and current success rate.

The assistance of housing locators combined with the implementation of *socialserve.com* will help us achieve the 98% lease-up rate and score the maximum number of points under SEMAP.

**Response to Supervisor Molina's Motion**

In my March 27, 2007 response to Supervisor Knabe's motion, I made a recommendation to contract for specialized services to assist voucher holders locate housing. As Supervisor Molina requested in her April 3, 2007 motion, we examined the Housing Authority budget for \$300,000 in available funds that could be used without impacting existing services. We have determined that, although Section 8 Administrative Fund Reserves are limited, contracting with housing locators for a one-year period may be a prudent use of the Reserves.

These funds have been set aside specifically to augment the existing temporary staff employed to support our production effort over the last six months. Given the fact that we are issuing more vouchers for people to search for housing, we are in a better position today to assist these families. Furthermore, in my April 2<sup>nd</sup> report, I indicated that we anticipate Congressional approval of a bipartisan bill that will base 2008 Section 8 funding on each housing authority's actual expenditures for the 2007 calendar year. Any steps we can take at this time to increase the number of vouchers under lease will increase our 2007 expenditures. The result may be a greater Section 8 budget allocation for us in 2008.

**Housing Locators** - With your Board's approval, I will execute contracts with qualified consultant firms to provide housing locator services. Housing locators will substantially increase our client success rate by teaching voucher holders how to conduct housing searches. They will work directly with voucher holders to identify available rental units, and help them complete the leasing process.

As I previously reported, our current success ratio is 2:1 - for every two vouchers we issue, only one client has a successful housing search. Voucher holders are given a maximum of 180 days (approximately 6 months) to locate suitable rental units. Fifty percent of them are unable to locate rental units, before their vouchers expire. Most have waited many years to reach the top of the Section 8 waiting list, only to lose their vouchers when they cannot find a unit within the time allotted by HUD. We will first target the assistance of the housing locators to clients whose vouchers will soon expire. At this time, we have 440 voucher holders who have 90 days or less to find housing. Without the additional assistance of housing locators, it is possible that the success ratio will change to 3:1 or 4:1, further reducing our lease-up rate.

As more clients are leased in, our lease-up rate will improve. Rent subsidy payments will increase our 2007 expenditures, which may increase HUD funding for 2008.

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The services of housing locators will augment the County-wide effort to establish socialserve.com. The Chief Administrative Office is finalizing a contract amendment to expedite the work related to the Section 8 program. Voucher holders will be able to access a listing of Section 8 property owners and other landlords who are willing to rent under the program.

**Required Board Action** – On May 1, 2007, your Board will be asked to approve a recommendation authorizing me to execute contracts with the housing locators. The contracts in aggregate will not exceed \$300,000. We will work with the housing locators to initiate services, no more than 30 days from the date of Board approval.

If you have questions or need clarification, please contact me at (323) 890-7400.

CJ:BG  
Attachment

c: Each Deputy  
David E. Janssen, Chief Administrative Officer  
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors  
Los Angeles County Housing Commissioners

## Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

	Description	Maximum Allowable Points	HACoLA Projected Points
from Waiting	The Housing Authority (HA) has included and followed written policies in their Administrative Plan for selecting applicants from the waiting list for admission.	15 points if 98% or > of new admissions were selected in accordance with policies	15
ile Rent	The HA has and implements a sound written method to determine and document reasonable rent based on current rents for comparable units.	<ul style="list-style-type: none"> <li>20 points if 98% or &gt; of files followed requirements;</li> <li>15 points if 80%-97%</li> </ul>	20
ition of ome	The HA correctly determines adjusted annual income and uses appropriate utility allowance.	<ul style="list-style-type: none"> <li>20 points if 90% or &gt; of files followed requirements;</li> <li>15 points if 80%-89%</li> </ul>	0
wance	The HA maintains an up-to-date utility allowance schedule.	5 points	5
ity Control	The HA re-inspects a sample of units drawn from recently completed Housing Quality Standard (HQS) inspections and from a cross section of neighborhoods/inspectors.	5 points	5
rcement	The HA performs timely correction for Housing Quality Standard (HQS) deficiencies as required (24 hr/emergency; 30 day/non-emergency)	10 points if 98% or > units inspected w/in 30 days or with approved extension	10
J Housing	The HA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration; informs voucher holders of all areas where they may lease inside and outside jurisdiction; and supplies list of landlords or other parties who can help families locate units.	5 points if all is met	5
standards	The HA has adopted a payment standard schedule not exceeding 110% or below 90% of HUD-published Fair Market Rent.	5 points	5
ual ons	The HA completes a reexamination for each family at least every 12 months.	<ul style="list-style-type: none"> <li>10 points if &lt; 5% are more than 2 mos. overdue;</li> <li>5 points if 5%-10%</li> </ul>	5
enant Rent	The HA correctly calculates the family's share of rent to the owner.	5 points if < 2% are incorrect rent calculations	5
ract HQS	Newly leased units pass Housing Quality Standard (HQS) inspection on or before the beginning date of the lease and Housing Assistance Payment (HAP) contract.	5 points if 98% of > of newly leased units pass inspection prior to contract	5
QS	The HA inspects each unit under contract annually.	<ul style="list-style-type: none"> <li>10 points if &lt; 5% of HQS inspections are late;</li> <li>5 points if 5%-10%</li> </ul>	5

April 17, 2007

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# Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

	Description	Maximum Allowable Points	HACoLA Projected Points
p	The HA enters contracts for the number of allocated units for at least one year.	<ul style="list-style-type: none"> <li>• 20 points if 98% or &gt; of allocated units leased up.</li> <li>• 15 points if 95%-97%</li> </ul>	0
elf-FSS)	The participant enrolls participants in the FSS program and measures the number of families earning an escrow account.	<ul style="list-style-type: none"> <li>• 10 points if 80% or &gt; enrolled and 30% have escrow account balances;</li> <li>• 8 points if 60%-79% enrolled and 40% have escrow acct. balances</li> <li>• 5 points if &lt; 60% enrolled and 30% have escrow acct. balances</li> <li>• 3 points if 60%-70% are enrolled and &lt; 30% have escrow acct. balances</li> </ul>	5
intration	Half of all HA families with children reside in low poverty census tracts or a significant percentage of families are moving to low poverty census tracts.	5 points if all met	0
	<b>Projected Score for FY 06-07</b>	<b>150</b>	<b>90 Points</b>



JK

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

July 12, 2007

To: Supervisor Zev Yaroslavsky, Chair  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Executive Officer

### HOUSING AUTHORITY INVESTIGATORS

On April 3, 2007, your Board instructed the Chief Executive Officer (CEO) to provide information regarding the process of adding investigator positions to the Housing Authority. In a subsequent meeting with Housing Authority managers, it was discovered that the Housing Authority had a sufficient number of investigators; however, the investigators lacked peace officer status.

The Housing Authority investigators are responsible to conduct investigations of criminal fraud and program violations committed by families participating in Section 8 and Public Housing programs. However, these investigators cannot obtain access to the necessary law enforcement databases, reports, nor execute search warrants to obtain financial information needed during the course of conducting criminal investigations. At this time, Housing Authority investigators lack the power to file criminal cases. In attempting to resolve this issue, my office looked into the process for obtaining peace officer status.

We discovered that before Los Angeles County can consider providing peace officer status to Housing Authority investigators, the California Peace Officer Standard and Training (POST) Commission must conduct a peace officer feasibility study to determine whether peace officer status or a change in peace officer status or designation is justified for the positions under consideration. The requesting agency is required to pay for the cost of the study. According to Charles Sandoval, Region IX Coordinator for POST, the costs for such a study varies from agency to agency based upon the complexity of the requesting organization. Mr. Sandoval estimates the actual costs of conducting the study can be between \$15,000 and \$20,000. Procedures regarding peace officer feasibility studies can be found in Commission Regulation 1019, *POST Administrative Manual*.



For your convenience, the procedures are summarized as follows:

1. The requesting agency must request in writing that the POST Commission undertake a feasibility study regarding the designation of persons or the entity as peace officers. The written request must include a statement that the persons or entity requesting the study agrees to pay the actual cost of conducting the study and must provide the POST Commission with the necessary information to conduct the study.
2. Upon filing such a request, the POST Commission will assign a consultant to work with the County.
3. An entrance interview will be scheduled to review the scope of the POST study and advise the entity of the documentation required for the POST study.
4. The time limits for completion and issuance of the study report and recommendations must be in accordance with Penal Code section 13542, which states that the POST study can take up to 18 months.
5. The payment of fees is due upon completion of the study, but prior to the "official release" of the study recommendations and results.

Aside from the length of time and cost for assessing peace officer status for Housing Authority investigators, current Board policy restricts the expansion of Labor Code 4850 (safety workers' compensation benefits) to additional personnel. Given the Board's policy restrictions, my office recommends that the Housing Authority proceed forward with the POST Commission study in order to determine whether peace officer designation is justified. Housing Authority investigators do not carry firearms and could be classified as limited peace officers without weapons and safety workers' compensation benefits similar to County Child Support and Welfare Fraud Investigators. My office along with the Housing Authority will return to your Board with the POST Commission study findings and recommendations.

As an interim option, my office recommends the assignment of a dedicated deputy sheriff (peace officer) to the Housing Authority investigation team to perform the various peace officer functions required while the POST Commission study proceeds. My office will work with both the Housing Authority and the Sheriff's Department to place this interim plan into effect.

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If you have any questions or need additional information, you may contact me or your staff may contact Rosemary Gutierrez at (213) 974-0564.

DEJ:SRH:BY  
GP:RMG:ap

c: Sheriff  
Executive Officer, Board of Supervisors  
County Counsel  
Executive Director, Los Angeles County Housing Authority

Housing Authority Investigators.bm